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ABSTRACT

This report presents data from research on New York state and city compliance with changes in federal welfare laws. It outlines how children and families are faring after 5 years of welfare reform (e.g., caseloads have dropped, but child poverty persists, families leave welfare for low paying jobs and unstable work, and family homelessness is rising dramatically). It examines state and city welfare policy changes and discusses challenges to reauthorizing the Temporary Assistance to Needy Families (TANF) Block Grant. It recommends changes to the federal Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) that will help families move off of welfare and maintain stable employment (e.g., Congress and the President should maintain the current TANF Block Grant allocation to the states, at level funding and indexed for inflation, and they should amend federal PRWORA to cover legal immigrants). Finally, the report includes recommendations for changes to city and state policy and family support in maintaining employment and gaining financial stability (e.g., the Eligibility Verification Review process should be eased so families are not erroneously removed from the welfare rolls when still in need of assistance, and New York City and state should provide a baby bond to every child). (SM)

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Responsibility and Risk:

TANF Reauthorization Creates an Opportunity for Needed Improvements

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Responsibility and Risk:

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A special thank you to the CCC volunteers who took the time to work to develop a comprehensive list of expert interviewees representing every aspect of welfare reform. Based on the numerous interviews conducted, the volunteers were instrumental in shaping the final recommendations published in this report.

Nancy F. Solomon
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Gail B. Nayowith
Executive Director

Maria Toro
Staff Associate for Housing
and Income Support

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Executive Summary

Unprecedented changes in federal welfare law required New York State and New York City to respond in a way that forever altered the core of its social welfare programs. The passage of the federal Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (PRWORA) created the Temporary Assistance to Needy Families (TANF) Block Grant to fund social services programs, imposed time limits on public assistance and required work participation for able-bodied recipients in exchange for benefits. The New York State Welfare Reform Act of 1997 changed welfare programs to comply with changes in the federal PRWORA and to conform to New York State's Constitution, which requires care for the needy despite federal time limits on assistance.

In the first five years of implementation, it appeared as though welfare reform was meeting its intended results. Declining welfare caseloads were brought about by changing welfare policy, the nation's booming economy in the 1990's and a record number of families moving from welfare to low wage work. The larger issues of whether the new welfare program could withstand the impact of a stalled economy or the state's ability to cover 100% of the welfare costs after families exhausted their federal time limit are, as yet, untested by experience. As New York City's first families reach the federal time limits on public assistance, New York State and New York City has the opportunity to re-evaluate programs and practice consistent with changes in federal welfare law and identify policy improvements to be realized in the next phase of welfare reform and at a time when the weakened economy is creating increased pressure on public benefit programs serving the poor. While little is known of families leaving welfare, debate and discussion of proposed changes in federal PRWORA and the reauthorization of the TANF Block Grant will need to respond to how children and families are faring after the first five years of the welfare reform experiment.

Although the few available welfare leaver studies conducted by the State and City tell little about families leaving welfare, there are clear indications that the improved economic well-being of children and families has not been a primary goal of welfare reform especially given the increased number of children born into poor families over the past decade. Families continue to encounter numerous roadblocks when applying for public assistance and struggle to transition from welfare to stable work with adequate benefits. Although decreasing welfare caseloads have been directly correlated with a significant increase in services to families under 200% of the Federal Poverty Level (FPL), the flexibility guaranteed by federal regulations for use of TANF Block Grant funds has not been fully explored by state and city agencies who instead have imposed even stricter policies than federal law required, forcing eligible families off welfare and in search of alternative supports.

The New York City welfare reform experience reveals six problematic outcomes:

- Caseloads have dropped but child poverty persists;
- Families leave welfare for low paying jobs and unstable work;
- Eligible families do not receive medicaid and food stamps;
- The lack of affordable, quality child care has made it difficult to maintain employment;
- The Eligibility Verification Review (EVR) process and other anti-fraud tactics have diverted numerous families from receiving needed assistance; and
- Family homelessness is rising at a dramatic rate.

As families reach the five year limit on federally funded assistance and the reauthorization of the TANF Block Grant in October 2002 nears, Citizens' Committee for Children of New York (CCC) will work to secure changes to the federal PRWORA that will require New York State and New York City to reaffirm its commitment to low income families. Our recommended changes to the federal PRWORA will promote the expansion of education and training opportunities to families in transition, increase flexibility of TANF funds to allow states to tailor a network of support services to families that have moved from welfare to low wage work, and ban time limits for those families that have been working but continue to need income assistance because of low wages. In addition, to ensure that New York State and New York City have the ability to continue and expand upon existing programs and services to low income families, CCC recommends that the federal TANF Block Grant be reauthorized at current funding levels, indexed for inflation; the state Maintenance Of Effort (MOE) requirement be maintained; and transfer authority of TANF funds to the Social Services Block Grant and the Child Care and Development Fund be preserved.

At the same time, CCC recommends that New York City increase caseworker training to ensure that families receive necessary benefits and ease anti-fraud and diversion tactics that have erroneously removed thousands of families from the welfare rolls. We also recommend that the City and the State take full advantage of the flexibility afforded to them under current TANF regulations by allowing public assistance recipients greater access to education and training opportunities, increasing the availability of quality child care, encouraging the development of programs for hard-to-serve families, and implementating work programs that emphasize the "make work pay" philosophy.

Finally, changing policies must take into consideration the growing population of working poor who continue to struggle to make ends meet. These families are at constant risk of falling back into dependence on welfare. For this increasing population of low wage earning families, a network of support services is critical that not only includes child care, housing subsidies, child support from non-custodial parents, and health insurance, but also tax credits like the Earned Income Tax Credit and the Child and Dependent Care Tax Credit, an increased minimum wage, and the expansion of New York State's Unemployment Insurance Program and Family Medical Leave Program so that families with low wages or part-time employment can qualify for these benefits in times of need.

As New York's first families reach the federal time limit on public assistance in December 2001, the burden of public assistance has fallen on New York State and New York City. As Congress begins to discuss reauthorization of the TANF Block Grant for October 2002, CCC will participate in forums to discuss reauthorization issues and meet with policymakers, advocates and experts to discuss possible changes in the federal PRWORA and needed supports for families moving from welfare to work and towards financial independence.

The reauthorization of the TANF Block Grant in 2002 gives rise to a unique opportunity to re-examine a host of issues that affect low-income children and families and identify programs and policy improvements to be achieved in the next phase of welfare reform. CCC will use this information as a benchmark for evaluating the adequacy of the proposals generated in Washington in the months ahead for changes to the federal PRWORA in 2002 and to assess how these proposals will affect the well-being of New York City's children and families.

In 1996, the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) was signed into law, ending 61 years of anti-poverty entitlement programs for families in the United States. The federal PRWORA replaced Aid to Families with Dependent Children (AFDC) and combined funding streams for social welfare programs into the Temporary Assistance to Needy Families (TANF) Block Grant. While the federal PRWORA gave great latitude to states on how to design and administer programs for poor families, it created a 5-year lifetime limit on the receipt of federally supported public assistance and excluded several categories of families from federally funded public benefit programs. New requirements for public assistance recipients mandated participation in work-related activities and compliance with child support enforcement procedures. Final TANF regulations, adopted in October 1999, identified four key goals for TANF spending for both direct assistance and support services for families up to 200% of the Federal Poverty Level (FPL). These goals are as follows:

- To provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives;
- To end dependency of needy parents on government benefits by promoting job preparation, work and marriage;
- To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- To encourage the formation and maintenance of two-parent families.[1]

In 1997, New York State passed the Welfare Reform Act (WRA), changing state welfare programs to comply with both the federal PRWORA and the New York State Constitution, which requires care of the needy despite federal time limits on assistance. The WRA created two new public assistance programs – the Family Assistance (FA) program for families that had received assistance under AFDC and the Safety Net Cash and Non-Cash Assistance (SNA) programs for all single adults and families who reach the five-year time limit and are no longer eligible to receive federal cash assistance.

New York State's TANF Block Grant allocation is used to provide time limited direct cash assistance and on-going support programs to encourage work participation under the state's FA program. In addition, the significant decrease in welfare caseloads over the past five years has led to a substantial surplus of TANF funds that have been used to support families under 200% of the FPL with a variety of supports and benefits including tax credits, child care, child welfare services, transportation, work programs and education and training.

In 1995, the Human Resources Administration (HRA) launched its own welfare reform initiative called New York City – Work, Accountability, You! (NYC-WAY). First targeting adult recipients in the Home Relief (HR) program (replaced by the Safety Net Assistance program), NYC-WAY combined stringent eligibility requirements and front-end fraud detection with work requirements for participants, primarily through the City's workfare program known as the Work Experience Program (WEP). In January 1996, a pilot began to expand NYC-WAY to the AFDC (replaced by the Family Assistance program) population. By mid-1996, NYC-WAY was fully implemented for individuals and family recipients of both AFDC and HR.

New York City's emerging policy complemented eventual changes in state and federal welfare policy requiring that every able adult receiving public assistance work in exchange for benefits. In March 1998, Income Support Centers began to be replaced by Job Centers incorporating job readiness and job search activities into the application for welfare benefits. By 2001, New York City's welfare caseload had dropped by 58.4% from 1995 levels.[2] This drop in caseloads was a result of multiple factors, among them, New York City's booming economy, HRA's diversion policy, and families transitioning from welfare to low wage work.

CCC s Advocacy and Policy Work

Since 1996, CCC has studied the implementation of welfare reform and its effects on New York City's children and families with a critical eye. In 1997, *Thinking About the Welfare Reform Bill: How Welfare Reform will Hurt New York City's Children*, was published analyzing the federal PRWORA and noting numerous shortcomings of the new law, and calling upon advocates to help New York State lawmakers comply with changes in federal welfare law that would help New York City families transition off welfare.

1 42 U.S.C. 601(a)

2 Human Resources Administration Facts. September 2001.

Thinking About the Welfare Reform Law: How Welfare Reform will Hurt New York City's Children: 1997 CCC Report

Findings:

1) The federal PRWORA mandates work but fails to adequately fund child care and other services.
2) The federal PRWORA seeks to change the behavior of adults receiving welfare but does not consider the implications on child well-being.

A Call to Action:

1) Urge the State Legislature to maintain quality and safety standards for child care.
2) Identify mandated protections under Article VII of the State Constitution and work to maintain them.
3) Assess the likely impact on groups of children who will be especially hard hit including homeless, disabled and immigrant children.

In 1998, CCC published *Putting New York City's Children at Risk: The Welfare Reform Act of 1997*, outlining the provisions of the WRA and making recommendations to the State and the City regarding TANF surplus, including increased funding for subsidized child care, simplifying access to transitional and support services, and encouraging the creation of work programs that include an emphasis on education and training coupled with work incentives.

Putting New York City's Children at Risk: The Welfare Reform Act (WRA) of 1997: 1998 CCC Report

Findings:

1) WRA emphasizes employment without helping recipients develope the skills to compete in the workforce.
2) WRA increases the need for child care services but does not ensure adequate funding.
3) The State Legislature and the Governor have failed to reinvest TANF surplus to support services to help move public assistance recipients into jobs.

Recommendations:

1) New York City and New York State should conduct thorough recipient assessments and develop employability plans, which must be adhered to when placing recipients into work-related activities.
2) New York City and New York State should expand child care capacity and develop a range of child care services.
3) New York State should use all TANF surplus funds available to fund services that will stabilize families receiving public assistance and move them to self-sufficiency. Federal TANF funds should not supplant state and local spending on services.

Finally, in 2000, CCC conducted a study of 50 families leaving welfare and published, *Opportunities for Change: Lessons Learned from Families Who Leave Welfare*. This report was in response to the general lack of information available on families leaving welfare. Several of our findings mirrored general trends around the country.

Opportunities for Change: Lessons Learned from Families Who Leave Welfare: 2000 CCC Report

Findings:

1) 50% of the families in our sample (25) had not worked at all since leaving welfare. 56% of these families cited the lack of child care as the primary reason for their unemployment.
2) 72% or 36 families reported having their welfare cases closed involuntarily.
3) Only half of the families working had health insurance provided by their employer.
4) Of the 50 families surveyed, 11 lived in overcrowded housing, 22 were facing eviction and 10 had become homeless.

Recommendations:

1) Child care capacity should be increased and non-traditional child care resources must be developed.
2) Families must be informed of the public benefits available to them as they leave or try to avoid welfare.
3) New York State and New York City should increase the supply of rental assistance available to low income families.
4) Medicaid, WIC, and CHP application procedures should be more "work friendly" so that families can access these programs without jeopardizing employment.

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Methodology

In the Fall of 2000, CCC created the Task Force to Support Low Income Families to examine the impact of welfare reform on New York City's children and families and create an agenda for the next five years that would support families moving from welfare to work and towards financial independence. To begin the process of answering the policy question at hand, CCC held a policy briefing in October 2000 with invited speakers, Edward Colfer, Principal Budget Examiner at the New York State Division of Budget (DOB) and Russell Sykes, Vice President for the Schuyler Center of Analysis and Advocacy (SCAA) to discuss New York State TANF spending and issues that may arise during the reauthorization of the TANF Block Grant. The Task Force then created a questionnaire to interview numerous advocates, academics, and agency representatives to learn more about issues surrounding the reauthorization of the federal TANF Block Grant and a variety of supports for families below 200% of the Federal Poverty Level (FPL). The interviews incorporated questions regarding the use of TANF funds in New York City and New York State, effective initiatives and policies designed to move families from welfare to work and help families remain financially independent, and the use of supports such as child care, child support, tax credits, unemployment insurance, and housing subsidies to assist poor families.

The Task Force members were instrumental in generating a list of potential interviewees from around the city and the state that have worked extensively with welfare recipients and/or studied welfare policy and implementation. A formal letter of request was sent out to the potential interviewees and those that accepted our request, were interviewed under the condition of confidentiality.

Our research interviews were supplemented by participation in a wide variety of coalitions and forums that have been successful in bringing together key advocates, academics, past and present welfare recipients, agency representatives and elected officials to provide an open forum and allow for open dialogue on both controversial and popular reform to be considered in the coming year. Our research interviews were also supplemented by numerous reports that have been published evaluating local, state and national welfare policy, including several welfare to work initiatives, various income supports, and TANF reauthorization issues.

The following discussion is a culmination of several years of research and analysis of State and City compliance with sweeping changes in federal welfare law. After first outlining how children and families are faring after five years of welfare reform, our report will take a close look at State and City welfare policy changes and discuss the challenges of reauthorizing the TANF Block Grant, recommending changes to the federal PRWORA that will help families move off of welfare and maintain stable employment. Lastly, we have included recommended changes to City and State policy and the need to development a support network that will assist families in their efforts to maintain employment and gain financial stability.

How New York City's Children and Families are Faring After Five Years of Welfare Reform

The New York State Office of Temporary and Disability Assistance (OTDA) and the New York City Human Resources Administration (HRA) are the primary State and City agencies responsible for administering welfare funding and policy. Although federal reporting requirements for TANF funding require the City and State to gather detailed data on welfare caseloads and families under 200% of the FPL that access TANF funds, little information has been made available to the public. There have been, however, clear indications that families leaving welfare are not better off and that welfare reform has not been the success that many have claimed it to be.

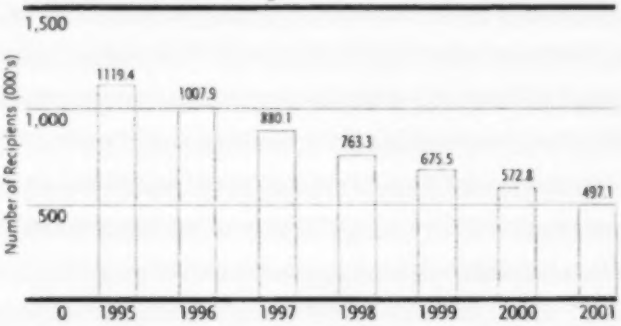
As New York City and New York State enjoyed unprecedented economic growth in the 1990's and caseloads have continued to drop, record numbers of children are homeless and living in poor families. Today, one in four children in New York City are born into poverty and over 55% live in poor families below 150% of the FPL ($21,945 for a family of three)[3]. An average of 6,204 families and 11,526 children resided in New York City shelters in 2001[4] and local, state and national statistics have shown that thousands of families leaving welfare are not receiving the necessary benefits and services they need to achieve financial independence.

In June 2001, the Economic Policy Institute (EPI) published a briefing paper that identified the hardships families continue to face after leaving welfare for work based on findings from the National Survey of American Families and the Survey of Income and Program Participation.[5] EPI found that for those families that had left welfare less than one year ago, 52.7% of families working part-time and 58.2% of families working full-time worry about not having enough food, 24.9% of families working part-time use the emergency room as their primary source of medical care and 47.4% of families working part-time and 37.8% of families working full-time have trouble paying their rent.[6] These findings indicate that the families that are moving from welfare to work continue to struggle to maintain family stability and access needed benefits.

FINDING: Caseloads Have Dropped but Child Poverty Persists.

Proponents of welfare reform and advocates for change could not have imagined the dramatic decrease in caseloads that have occurred over the past five years. Caseload reduction, however, should not be considered the sole indicator of success. In New York City, caseload reductions are the result of several converging factors. Changes enacted in the federal PRWORA coupled with economic growth created thousands of new jobs and large surpluses in state and city budgets. During this time, New York State revamped its welfare programs to comply with federal statute and regulations recognizing time limited federal assistance and implemented stringent work requirements and unforgiving rules and guidelines for families seeking assistance.

Figure 1:
Public Assistance Recipients



From 1995 to 2001 the number of public assistance recipients in New York City decreased from over 1.1 million to 497,100 or 58.4%.[7] Between 1994 and 1998, children living in poverty in New York City decreased from 44% to 34.3% and the number of children receiving public assistance decreased from 38% to 20%.[8] Children born into poor families, however, decreased only slightly from 51.7% in 1994 to 49.5% in 1999. In fact, looking back to 1990 the number of children born into poor families, has actually increased by 15%.[9]

3 Citizens' Committee for Children of New York, Inc. *Keeping Track of New York City's Children*, 2000.

4 Department of Homeless Services. Emergency Housing Services for Homeless Families. Monthly Report. January - December, 2001.

5 New York State participates in both national surveys cited.

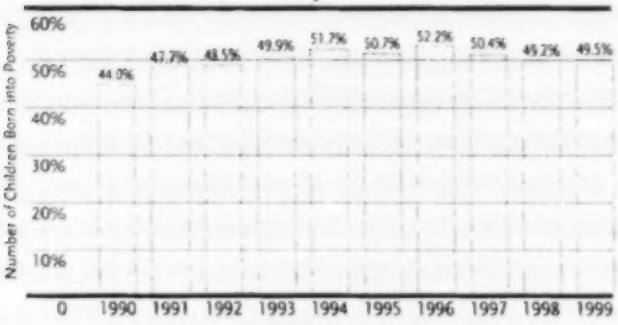
6 Economic Policy Institute Briefing Paper. *When Work Just Isn't Enough: Measuring Hardships faced by Families After Moving From Welfare to Work* June 2001.

7 Human Resources Administration Facts 1995-2001. September, 2001.

8 Citizens' Committee for Children of New York, Inc. *Keeping Track of New York City's Children*, 2000.

9 Ibid.

Figure 2:
Children Born into Poverty



Although families leaving welfare seem to be positively correlated with the reduction in child poverty in New York City, the alarming increase in the number of children born into poor families, hovering just above the federal poverty line, indicates that families leaving welfare and families making the transition to work are struggling to maintain financial independence.

FINDING: Families Leave Welfare for Low Paying Jobs and Unstable Work.

Both New York City and New York State have published welfare leaver reports in an attempt to document how families are faring after leaving welfare. New York State's study, entitled: *After Welfare: A Study of Work and Benefit Use After Case Closings* (1999) documents that 63% of New York City families studied have worked at some point after leaving welfare with average wages of approximately $15,038 a year and a number of these families were not able to demonstrate stable work.[10] In November 2000, the State Comptroller published a report analyzing the New York State leavers study. The State Comptroller's report noted that the State had been misleading by identifying families being "continuously employed" as those families who worked at least one day in each of the four quarters studied. With this definition the State study claimed that 40% of all families studied were consistently working after leaving welfare. Using a more realistic definition of continuous employment, the State Comptroller's report estimated that only 30% of all families studied were continuously employed. In addition, the Comptroller's report revealed that 27% of the sample that left welfare, returned to the rolls within two months noting that these families were often erroneously removed from the rolls due to administrative mistakes.[11]

In 1998, New York City's leavers study, *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients* documented that the median wage among families that had worked was $7.50 an hour and the median annual income was $12,324 a year, $2,306 below the federal poverty level of $14,630 for a family of three[12] (the average size of a family on welfare). Half of the respondents that had left welfare for work, worked more than 35 hours a week and 69% of these families had incomes above the FPL.[13] The report does not document actual wages for those families earning above the federal poverty level. However, it can be speculated that the majority of these families do not earn enough to be financially independent.

In June 1999, the State Comptroller's office published a report identifying misleading statistics documented in New York City's leavers study. This report cited HRA's random sample of 569 cases out of 6,092 cases closed in 1997. Of these cases, only families with telephone numbers were located and contacted and 126 interviews or 22% of the original sample were actually interviewed and measured. The survey was further skewed because the characteristics of the sample did not represent the average welfare recipient, most significantly in terms of education and length of time on welfare.[14] Finally, the median wages documented suggest families will continue to struggle to maintain family stability and financial independence.[15]

10 Office of Temporary and Disability Assistance. *After Welfare: A Study of Work and Benefit Use After Case Closing In New York State.* December 1999.

11 State Comptroller. *Staff Analysis of New York State's Welfare Evaluation Report: After Welfare: A Study of Work and Benefit Use After Case Closings.* November 2000

12 Human Resources Administration. *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients* September 1998.

13 Ibid.

14 State Comptroller. *An Update on the Evaluation of Welfare Reform in New York State* June 1999.

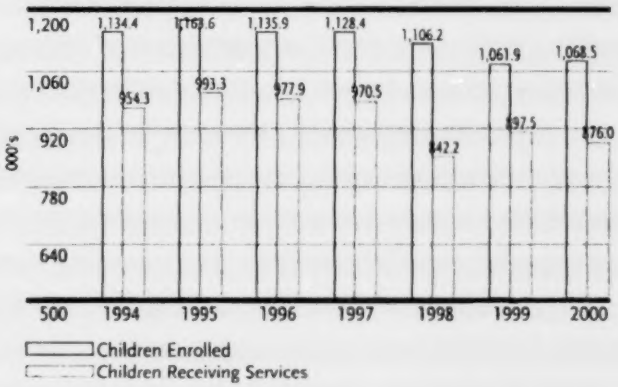
15 The Area Median Income (AMI) for a family of four in New York City is 59,100 in 2001.

FINDING: Eligible Families Do Not Receive Medicaid and Food Stamps

With no information available on families diverted from welfare and only little information available on families who have moved off welfare, there is a need to be critical of the use and non-use of benefits and services. As poor families continue to struggle to be self-sufficient, the benefits available to them are the key to ensuring that they remain off welfare and maintain employment. There are a number of benefits and services available to families transitioning from welfare to work and struggling to maintain financial independence. The use or non-use of these benefits and services can be used as a proxy and strongly indicates that families and children are not better off after leaving welfare.

In New York City, families continue to have difficulty accessing benefits and services from local Job Centers. In 1999, there were 82,858 food stamp, public assistance, and Office of Employment Services fair hearings held and only 27,452 or 33% were decided in favor of HRA.[15] A fair hearing is requested by applicants or recipients that have been notified of reduced or denied benefits. In 1999, the US Department of Agriculture found that the City had violated federal law by delaying food stamp applications at Job Centers. The ensuing *Reynolds V. Giuliani* court case required the City to develop a corrective action plan to ensure access to Medicaid, Food Stamps and emergency benefits. All had been illegally denied to families applying for these benefits at Job Centers.

Figure 3:
Medicaid Use



In addition to benefits being arbitrarily denied to families by the City, the linkage that once existed between Medicaid, Food Stamps and welfare was "delinked" during welfare reform when Congress adopted a flexible funding stream to support welfare spending but continued existing regulations for Medicaid and Food Stamp eligibility. Advocates have speculated that these changes have attributed to the decrease use of these benefits.

Families leaving welfare for work are guaranteed transitional Medicaid as long as their case is closed properly. They continue to remain income eligible for Medicaid up to 185% of the FPL. Accessibility of these benefits is crucial to fragile families transitioning to low wage work that generally does not provide medical insurance. The number of youth and children enrolled in Medicaid has decreased by 12.6% from 1995 to 2000.[16] In addition to Medicaid, New York State created the Child Health Plus program in 1991 for uninsured children up to 250% of the FPL. Although Medicaid and Child Health Plus are available to all children that are income eligible, 18.2% of New York City's eligible children and 13.8% of New York State's children remain uninsured.[17]

There has also been a decrease in the use of Food Stamps in New York City by 42% from 1995 to 2001.[18] In conjunction with this decrease, the use of emergency food programs in New York City has increased dramatically. From 1999 to 2000, there was a 28% increase in requests for emergency food, a 30% increase in the use of food pantries and a 20% increase in the use of soup kitchens.[19] 68% of families using emergency food services in January 2000 claimed that they had been cut-off food stamps and did not have enough money to buy food.[20]

16 *Monitoring Chilren's Health Insurance in New York State*, New York Forum for Child Health Update, No. 5 (January 2001).

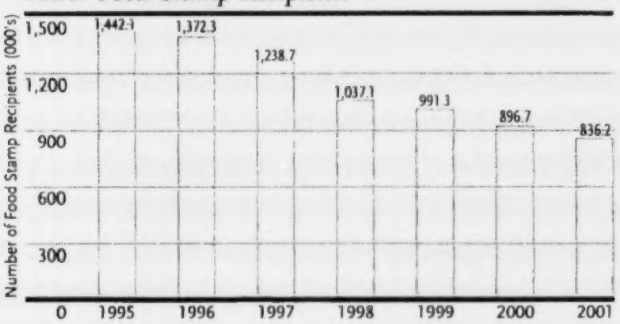
17 Citizens' Committee for Children of New York, Inc. *Keeping Track of New York City's Children*, 2000.

18 Ibid.

19 New York City Coalition Against Hunger, *Poor in the Land of Dollars: Hunger Arises Amid Prosperity – 2000 Survey of New York Emergency Food Programs*. November 2000.

20 Ibid.

Figure 4:
Fewer Food Stamp Recipients



Transitional benefits are designed to provide a seamless transition for families moving from welfare to work who will continue to need assistance during the first critical months of employment. Under federal and state law, 12 months of transitional Medicaid and child care are guaranteed to families moving from welfare to work when their case is closed properly. Unfortunately, cases are often closed improperly by fault of the caseworker because of administrative errors or by fault of the recipient who does not report to HRA that they have found work and no longer need assistance. As a result, although all families leaving welfare for work are entitled to receive transitional benefits, a significant number do not.

FINDING: The lack of affordable, quality child care has made it difficult for families to maintain employment.

Families with incomes up to 275% of the FPL are eligible for child care assistance in New York City. For families leaving welfare, transitional child care is guaranteed for 12 months as long as the case is closed properly. Since 1997, there have been unprecedented increases each year in the number of child care subsidies available in New York State. However, while approximately 463,500 children aged 0-13 are presently eligible for subsidized child care, New York City's publicly funded programs can provide only 20% of these children with child care.[21]

In New York City, thousands of families both on and off welfare struggle to find licensed quality day care for their children. Many are forced to turn to unregulated and unreliable informal care. Presently 89% of welfare-to-work families use informal or unregulated care for their children while they participate in work-related activities.[22] The combination of poor administration, over-reliance on informal care and the lack of quality child care options has made it difficult to provide quality childcare to families making the transition from welfare to stable employment. In *Opportunities for Change: Lessons Learned from Families Who Leave Welfare*, CCC found that over half of the families surveyed cited the lack of child care as a reason for not being able to maintain employment.

FINDING: The New York City Human Resources Administration (HRA) Eligibility Verification Review (EVR) process and other anti-fraud tactics have erroneously diverted numerous families from receiving assistance.

HRA's EVR process requires families applying or re-certifying for public assistance to go through rigorous verification reviews in order to receive assistance. During application and re-certification, families can be considered non-compliant for a number of reasons including missing appointments, being late to appointments or not being home during an unannounced home visit. The HRA leavers report, *Leaving Welfare: Findings from a Survey of Former New York City Welfare Recipients* found that 25% of those families surveyed had cases closed because of non-compliance. "Non-compliance" was not defined as the failure to participate in required work activities, but as the failure to complete the re-certification process. The *Reynolds V. Guiliani* case found that eligible families were not only denied access to Food Stamps, Medicaid and emergency benefits, but they were also denied the right to apply for welfare benefits until the second or third visit to the Job Center. Families that are diverted from assistance are forced to find other sources of emergency assistance. Diverting families from assistance endangers the welfare of New York City's children forcing families into unstable housing conditions or shelter and possible involvement in the foster care system.

21 Child Care, Inc. *A Child Care Primer* 1998, New York.

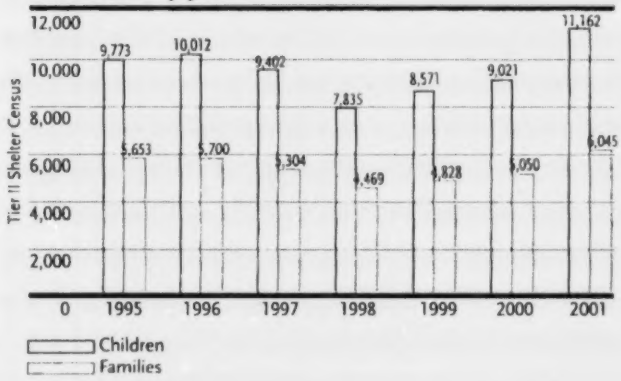
22 Human Resources Administration, March 2001.

FINDING: Family Homelessness is rising at a dramatic rate.

In 1996, the City implemented intensive fraud investigation methods and redefined eligibility for shelter in an effort to lower the number of families entering shelter. The new shelter eligibility process was responsible for the drop in the shelter census in June 1998 to just over 4,300 families, from 5,700 families in 1996. A series of studies point to the fact that eligibility processes for shelter often erroneously deny shelter to homeless families. Even with stringent eligibility requirements enforced, the number of families living in New York City's homeless shelters in 2001 rose again, surpassing shelter census highs back in the 1980's. In 2001, the average number of families in shelter was 6,204 families and 11,226 children.[23] This represents an increase of 14.5% for families and 18.4% for children since 2000.

The City continues to struggle to meet family shelter needs. In 1999, New York City's housing crisis peaked with 27% of New York City families paying more than 50% of their gross income on rent.[24] The overall vacancy rate for apartments in New York City dropped from 4% to 3.19% between 1996 and 1999, while apartments renting for under $400, the only apartment affordable to families earning minimum or entry-level wages or receiving public assistance, have a vacancy rate of only 1.26%.[25]

Figure 5:
Shelter use by year



23 Department of Homeless Services. *Emergency Housing Services for Homeless Families Monthly Report*, 2001 January - December.

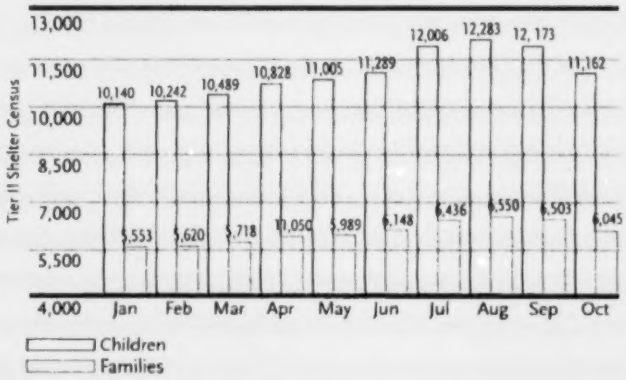
24 NYC Department of Planning 1999 NYC Housing and Vacancy Survey, Preliminary Report, February 16, 2000.

25 Ibid.

In addition, the most recent NYC Housing and Vacancy Survey indicates that approximately 1,040,450[26] New York City families are eligible for federal Section 8 rent subsidies, yet our research found that only 168,505 families actually received one in 2000.[27] Of the total federal Section 8 rent subsidies available, only 4,200[28] of these subsidies are recaptured and recycled for new families each year and over 200,000 families remain on the City's Section 8 waiting lists.

New York City and New York State have made beginning efforts to address this gap by creating new housing subsidy programs that have provided an additional 1,651 subsidies to families.[29] In addition to limited availability, long waiting lists for rent assistance programs and limited access to information on eligibility, availability and application procedures delay access to these subsidies and make it difficult and frustrating for families trying to secure assistance.

Figure 6:
Shelter use in Past Year



26 Department of City Planning *1996 NYC Housing and Vacancy Survey*, P. 117. 1996.

27 Citizens' Committee for Children of New York, Inc. *Government Rent Subsidy Programs for Families in New York City*, February 2001.

28 Coalition for the Homeless *Housing a Growing City: New York's Bust in Boom Times*, 2000.

29 Citizens' Committee for Children of New York, Inc. *Government Rent Subsidy Programs for Families in New York City*, February 2001.

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New York State and Welfare Reform: Missed Opportunities for Children and Families

The State Welfare Reform Act (WRA) created the Family Assistance (FA) program and the Safety Net cash and non-cash (SNA) program to comply with federal mandates and New York State's constitution, which requires the State to provide aid to the needy. Significant changes in State law included a required five year time limit on federal assistance and the implementation of the SNA program supported by state and local dollars for single adults and those families that reach the five year time limit. The WRA established partial family sanctions, reducing benefits and limiting direct cash payments for parents who refuse to comply with any component of continued eligibility for public assistance. It also guaranteed child care for families that comply with work requirements and transitional child care and Medicaid for families making the transition from welfare to work.

Maintenance of Effort Requirement

In order to draw down TANF funds, states are required to maintain 80% of 1994 state welfare spending levels prior to changes in the federal welfare law and the implementation of the TANF Block Grant. Known as the Maintenance of Effort (MOE), this requirement ensures that states continue to support low income families at adequate funding levels. States that meet federal work participation requirements (50% of single parent households on assistance by 2002 and 90% of two-parent households on assistance by 2002[30]) are only required to meet a 75% MOE. New York has been successful in meeting its work participation requirements every year. With a 75% MOE requirement, New York State's spending level is $1,718,578,445.[31] MOE spending can support a variety of services for low income families consistent with TANF goals in order to draw down federal TANF funds.

30 Work participation rates are based on 1994 caseloads. The decrease in caseloads have decreased New York's work participation rate requirements to almost 0% of the current caseload.

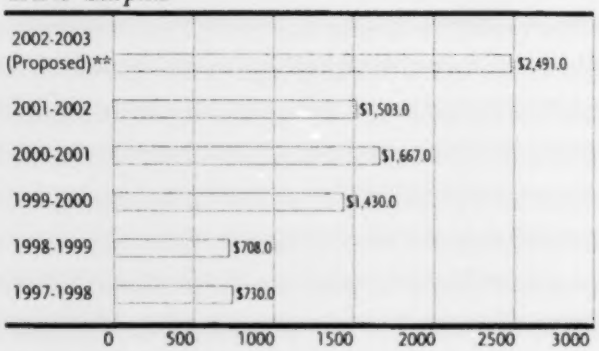
31 WWW.acf.dhhs.gov/programs/ofs/data/index.html

FINDING: The MOE ensures that states remain committed to providing the necessary services and benefits for families making the transition from welfare to work and financial independence.

The obligation to spend and the flexibility to provide a wide range of benefits and services to families both on and off assistance and under 200% of the FPL have allowed states the ability to develop a network of needed supports to help families make the transition from welfare to work and maintain employment and family stability. It has also encouraged states to provide support for certain populations that are not covered under the federal law. In New York State, MOE spending includes the State Safety Net Program and support services and benefits for immigrants that do not qualify for federal assistance. In addition to serving federally ineligible populations, MOE funding can also be used to support education and training beyond the two year federal limit[32], medical services for treatment of substance abuse and other medical needs.

New York State has not taken full advantage of the strategic combination of TANF and MOE funding streams that can help states provide a comprehensive network of needed services. Although the federal law limits the ability for states to use TANF funding for some services, states can use MOE funding to expand services beyond federal limitations.

Figure 7:
*TANF Surplus**



* New York State Division of Budget (DOB) and New York State Assembly Ways and Means

** The Executive budget for State Fiscal Year (SFY) 2002-2003 proposes spending all contingency (reserve) funds from prior years. As a result, the SFY TANF surplus is actually larger than New York State's yearly allocation of TANF funds.

32 The federal PRWORA allows families to receive assistance for up to two years before requiring participation in work activities and therefore indirectly limits education and training opportunities for two years.

State Welfare Spending

All across the country, welfare's new flexible funding stream and surplus funds, as a result of falling caseloads, have allowed states the flexibility to implement various work programs and provide a number of supports for families both on and off public assistance. New York State has used TANF funds to expand the number of child care subsidies available, to create and expand the State Earned Income Tax Credit, the State Child and Dependent Care Tax Credit, transportation initiatives, family preservation programs and various work programs.

Finding: Although the majority of the State's TANF funds have been appropriated, as of December 2001, a significant portion of these funds have remained unliquidated and/or unobligated.

According to the federal Department of Health and Human Services, from FY 1997 to the fourth quarter in FY 2000, New York State had $7,680,061,424 available in TANF funds in which $546,696,730 has been reported as unliquidated and $760,998,895 has been reported as unobligated—a total of $1,307,695,625 or 17% of all available funds to the State.[33] Unliquidated TANF funds are those funds that have been appropriated but have not been spent and unobligated funds are those funds that had not been appropriated as of December 2001.

33 WWW.acf.dhhs.gov/programs/ofs/data/

Figure 8:
*TANF Spending**

Grant Payments	97-98	98-99	99-00	00-01	01-02	02-03(Proposed)
Fiscal Relief Initiatives	$416.4	$233.0	$354.0	$457.0	$469.0	$546.0
Child Care Credit	$0.0	$0.0	$0.0	$5.0	$61.0	$87.0
EITC	$0.0	$0.0	$49.0	$174.0	$323.0	$351.0
Child Care	$66.6	$76.6	$430.0	$344.0	$304.0	$304.0
Recruitment (Child Care/ Health/Foster Care)	$0.0	$0.0	$93.0	$40.0	$0.0	$0.0
Employment/Transitional Programs	$141.3	$53.0	$268.7	$446.2	$162.3	$235.2
Computer Systems	$50.0	$10.0	$30.0	$0.0**	$0.0	$0.0
Child Welfare/WIC	$3.0	$3.0	$15.0	$49.5	$25.7	$45.3
Welfare Reform Evaluation	$0.0	$0.3	$0.0	$0.5	$0.0	$0.5
Contingency (Reserve) Fund	$104.0	$114.0	$330.0	$114.2	$121.0	$0.0**
Tuition Assistance Program	$0.0	$0.0	$0.0	$0.0	$0.0	$345.0
Universal Pre-K	$0.0	$0.0	$0.0	$0.0	$0.0	$50.0

* TANF surplus funds in this chart are approximated based on figures published by the New York City Independent Budget Office (IBO), the Schuyler Center for Analysis and Advocacy (SCAA), and the Statewide Emergency Network for Social and Economic Security (SENSES).

** The Executive budget for State Fiscal Year (SFY) 2002-2003 proposes spending all contingency (reserve) funds from prior years.

The Evolution of Reform New York City: More Barriers to Assistance

The WRA devolved federal flexibility to the local level, allowing localities to develop welfare policy to fit specific population and policy priority needs. New York State's compliance with federal regulations complemented the City's on-going efforts to engage all able-bodied recipients in work activity.

Families in New York City are now required to comply with new screening processes such as the mandatory completion of a Job Profile form and meeting with a financial planner. The financial planner is responsible for conducting a screening and assessment of the applicant's needs including a discussion of alternative supports available. From the outset, families are encouraged to seek assistance from families and friends or community resources and to apply for one-time emergency assistance. The employment planner is responsible for assessing the applicant's employability, arranging a job search, performing a health and substance abuse assessment, and arranging child care and work activities. Before receiving welfare benefits and as a condition of having an application reviewed, applicants must participate in 30-45 days of job readiness and job search. During these 30-45 days, applicants are required to go to the Job Center daily to utilize "resource rooms" staffed and operated by private contractors responsible for providing information regarding job search, job readiness and education and training opportunities. Applicants are also required to go through an Eligibility Verification Review (EVR) process. During the EVR process, applicants are re-interviewed to confirm eligibility. This confirmation includes a home visit and possible interviews with others, such as landlords and neighbors, to verify information provided. These cumbersome and time consuming activities prevent many families from receiving public assistance.

New York City's Job Centers

In March 1998, Income Support Centers began to be replaced by Job Centers and every able adult receiving public assistance was expected to work in exchange for benefits. Piloted in sites throughout the City, Job Centers were designed to incorporate job readiness and job search activities into the application for welfare benefits. Framers of the Job Center concept intended to incorporate aspects of multi-service centers, providing access to employment, education, nutrition and medical assistance and child care referral all at one facility.

Finding: Job Centers have failed to live up to their promise of providing one-stop services for families in need of assistance.

The conversion of Income Support Centers to Job Centers was to have been completed Citywide by April 1999. As a result of *Reynolds V. Giuliani*, the City was required to make procedural changes at the Job Centers and in May 1999 the court permitted the city to proceed with conversion plans. In July 1999, the City's conversion plans were again halted by the Court pending further evaluation of the City's monitoring practices of procedures and access to benefits in the Job Centers. In May 2001, the Court conceded to the conversion of the remaining Income Support Center to Job Centers. However, the case has not been settled yet and the matter of Job Centers denying eligible families from being able to apply for direct cash assistance and other benefits still remain.

The Work Experience Program (WEP)

The Work Experience Program (WEP) is New York City's primary workfare program, with over 18,000 recipients currently engaged in various work assignments across the City. The majority of WEP workers are assigned to City agencies, including the Parks and Recreation Department, Transit Authority, HRA, and the Department of Housing Preservation and Development. WEP workers perform a wide range of low skill work including clerical, maintenance and custodial services. Once eligibility is determined, recipients that are able to work but have not found work, are given a WEP assignment. The number of hours the recipient is required to work is determined by the total amount of the public assistance grant including the shelter allowance, and food stamps divided by the minimum wage.[34] On average most WEP assignments generally average 21.5 hours each week. A recipient's WEP assignment is alternated with Job Search and Job readiness classes on days when not in a WEP assignment to simulate a full five day work week. Recipients are required to continue to participate in WEP until they find work. WEP workers do not receive pay checks and therefore cannot claim the Federal and State Earned Income Tax Credit (EITC). HRA's policy is severely restricted and WEP assignments often conflict with pursuing postsecondary education or vocational training beyond the federal and state limitations.

34 Community Voices Heard. *WEP Work Experience Program... New York City's Public Sector Sweat Shop.* June 2000.

Finding: WEP workers have replaced entry-level City workers.

Advocates have long criticized the use of WEP as the primary workfare program in New York City. A study conducted by Community Voices Heard (CVH) in June 2000 found that the majority of WEP workers were not only doing the same job as entry level workers, but that the City was actually saving money by using WEP workers instead of entry-level City workers. Since the City is only responsible for 1/4 of the total welfare grant (not including food stamps, which is a 100% federal program), and WEP work is divided by the total grant, the cost to the City is actually only $1.80 an hour or $3,600 a year, far below the City's entry-level salaries and the federal poverty level.[35] Though State law expressly prohibits the displacement of City workers with WEP workers, both the CVH report and a study done by the New York City Independent Budget Office (IBO) speculate that WEP workers have been used to do just that.[36] The IBO report found that the City Parks and Recreation Department has cut back 50% of its city workforce in the past nine years. However, the increase of WEP workers and subsequent increases in park acceptability ratings starting in 1995 suggest that WEP workers have not only been replacing city employees but that they have also become a reliable labor force for some city agencies.[37]

Access to Education Training

New York State is one of four states which allows each locality to set work requirements. Work rules limit access to education and training only allowing up to 24 months of post-secondary education that is directly related to employment (2 year college, trade or business school) to count towards work participation. Although, arguments have been made that many recipients struggle with some of the most basic education skills and access to postsecondary education is not necessary, there is a growing need for New York City to begin to access the needs of those families not only transitioning from welfare to work but from work with government supports to financial independence.

Finding: New York State and New York City currently have the ability to provide more access to education and training under federal regulations and have chosen not to.

Educational and training opportunities are critical to families struggling to maintain financial independence with low wage, low skill work. In 2000, high school graduates, on average, earned 28% more than those without high school diplomas, people who completed some college, on average, earned 15% more than those with a high school diploma and college graduates, on average, earned 44% more than those who only earned high school diplomas.[38] The lack of flexibility in HRA policy has been a disincentive to pursuing postsecondary education and training opportunities. For the harder to serve population, restrictive use of basic education, such as ESL and other basic skills training is severely detrimental to their ability to seek and maintain stable employment.

Sanctions

New York State's constitution prohibits the enforcement of a full-family sanction for non-compliance. Instead New York has implemented a partial sanction system that essentially removes the non-compliant person from the caseload and reduces the direct cash benefit accordingly.

Finding: There have been minimal efforts to address families that have been sanctioned and little has been done to bring these families back into compliance.

In July 2001, there were over 15,000 families receiving reduced grants for non-compliance and over 24,000 families in "Sanction Process" which includes families that are in conciliation, awaiting conciliation or waiting for a fair hearing.[39] HRA's Eligibility Verification Review process is one reason for the significant number of sanctioned cases. Other reasons for partial family sanctions include parents that are unable or unwilling to fulfill work requirements. Partial family sanctions are as detrimental to the child as they are to the parent. Unfortunately, little has been done

35 Community Voices Heard. *WEP Work Experience Program... New York City's Public Sector Sweat Shop*. June 2000.

36 New-York City Independent Budget Office. *Welfare and Work, Inside the Budget*. November 2, 2000.

37 Ibid.

38 Bureau of Labor Statistics – 2000.

39 Human Resource Administration, Special Comparison Report of Caseload Engagement Status. 2001.

to address sanctioned families and bring them back into compliance. It is still unclear what barriers sanctioned families experience. It is suspected that many may have learning disabilities as well as mental and physical limitations that have not necessarily been identified by HRA.

New York State Safety Net Assistance Program (SNA)

The SNA cash program is for single adults for up to two years. The SNA non-cash program is for single adults that have been on the SNA cash program for two years and families that have reached the five year federal time limit. The SNA cash and non-cash program is supported by state and local dollars. Although this program provides the same level of grant assistance, families and singles receiving non-cash assistance will be provided with grants through debit cards with only a very small portion of the total grant available in cash to the family. As New York's first families hit federal time limits on welfare in December 2001, approximately 36,000 caseloads in New York City were transferred to the SNA program.[40]

Finding: The SNA program limits a family's ability to "stretch" the welfare grant.

The SNA program is not operational as defined in law and the timeline for full implementation is uncertain. As a result, families and individuals in the SNA program have been receiving direct cash benefits. Recipients fear that a debit card system will hinder their ability to "stretch" the welfare grant, which is itself, inadequate to support a family. Direct cash allows families to purchase items in thrift stores, bodegas, and small mom and pop stores in the community, through classified ads and garage sales. It is unlikely that these venues will have access to debit card machines.

40 Greater Upstate Law Project, Legal Services Journal. October 2001.

Finding: Families at risk of reaching the five year federal time limit are not necessarily aware of the existence of the State Safety Net Assistance program.

New York City's notification process has been criticized for misleading recipients into believing the end of Family Assistance is the end to all assistance. In the Spring of 2001, families at risk of reaching the five year limit were given notice by both the City and the State that their five year limit on direct cash assistance was going to end shortly. The City has been misleading in its notification process by sending out letters to recipients that suggest that families will not be able to access an alternative safety net. The State has also notified families of the end to federal assistance. However, state notifications have clearly stated the existence of the SNA program and the need for potential applicants to ask their caseworker about access to this program.

Finding: Requiring families to re-apply for assistance under the SNA Program may cause disruptions in benefits and services, delay receipt of grant payments and complicate child care arrangements.

In May 2001, HRA Commissioner Jason Turner announced the City's intention of requiring families to reapply for the State Safety Net Assistance program (SNA). With close to 36,000 cases reaching their time limits, HRA's plans included calling all at risk cases in to see a caseworker so that they may re-evaluate their financial situation before they access the SNA program. Families may not make a seamless transition from the FA Program to the SNA Program if they are forced to re-apply for benefits. Requiring any of these families to re-apply for assistance under the SNA program may likely cause disruptions in benefits and services, delay receipt of grant payments and complicate child care arrangements. Other eligible families, unaware of the SNA program, may experience a disruption in benefits and services causing undue risk of harm to thousands of children.

In 1995, welfare caseloads in New York City peaked with over one million children and families receiving assistance. Similar trends throughout the country led President Clinton to propose comprehensive and sweeping changes to the federal welfare law resulted in the implementation of federal PRWORA and the establishment of the TANF Block Grant. Aggressive policies requiring families to work in exchange for benefits and limiting federal assistance for welfare precipitated into a rapid decrease in caseloads and a greater number of families moving from welfare to low wage work.

As the first five years of the welfare reform experiment comes to an end, discussions around reauthorization will be met with some new and old challenges. Families on assistance continue to exhibit significant barriers to employment and the growing numbers of working poor families indicate that families moving from welfare to work continue to struggle to maintain financial stability. In addition, there are a growing number of child-only cases in New York City. The City has done little to address these emerging issues.

Serving Families with Multiple Barriers

In New York City, an estimated 36,000 families reached the federal time limit for welfare in December 2001. These families have exhibited barriers to employment including mental and physical disability, domestic violence, substance abuse, low skills, non-english speaking, and little education and recipients who are working but remain eligible for cash assistance because of low wages.

Hard to Serve Barriers[41]	
Substance Abuse	5-60%
Domestic Violence	15-34%
Physical Disability	10-31%
Mental Health	2-39%
Low Basic Skills/LD	10-66%
Language Barriers	7-20%

41 Human Resources Administration Presentation. Innovations in Self-Sufficiency Conference. New York State Office of Temporary and Disability Assistance. June 13-15, 2001.

Although New York State has created a safety net for families that hit the federal time limit, it is critical that federal, state and local changes in welfare law and regulation address the hard to serve population that remain on assistance, unable to transition off welfare, but not qualifing for Supplemental Security Income (SSI). In addition, there is growing number of families that are working but continue to receive assistance because of low wages. In 2000, 18.5% of families receiving assistance were also working as compared to 7.5% in 1996.[42]

Addressing the Increase in Child-Only Cases

New York City has done little to address the growing number of child-only cases on its welfare rolls. In July 2001, 16.2% of the City's welfare rolls, representing 34,336 children, were child-only cases.[43] Child-only cases are those children who's parent is not eligible to receive public assistance, including children of incarcerated or institutionalized parents, children that have been abandoned, and children with immigrant parents that do not qualify for federal assistance. Child-only cases do not count toward work participation rates and they are not subject to the federal time limit. As a result, little is known about the well-being of these children and very few programs have been implemented in the attempt to address their needs.

Creating a Support Network of Benefits and Services for Families Struggling to Maintain Employment and Financial Stability

New challenges to be faced by the City and the State include how to create a network of needed support for those families that have been able to move from welfare to work but continue to struggle to maintain stable employment and achieve financial independence. Families making the transition from welfare to work are among New York City's poorest. Statistics have shown that families leaving welfare find low wage, low skill work with no benefits and little room for advancement. These families continue to face great challenges, including lack of affordable housing, food insecurity, lack of health insurance and lack of quality and affordable child care. The availability of support services such as child care, health insurance, rental assistance, and child support are critical to fostering family stability. Benefits that support work are equally important such as unemployment insurance, family leave, and minimum wage.

42 Citizens' Committee for Children of New York, Inc. *Keeping Track of New York City's Children*, 2000.

43 Human Resource Administration, Special Comparison Report of Caseload Engagement Status. 2001.

At constant risk of slipping back to full dependency, it is critical that the growing number of working poor families have access to a comprehensive support network of services to foster family and financial stability and stable employment. Families leaving welfare will often find themselves at a crossroad, unsure of the services and benefits that are available and unsure of what they need and/or are able to apply for. The challenge is no longer juggling public assistance appointments, WEP assignments and child care, but to know enough to put together a patchwork of services to help continue the transition to self-sufficiency.

The Self Sufficiency Standard for New York City and New York State illustrates the importance of establishing a support network to working poor families. Published in September 2000 by the Women's Center for Education and Career Advancement in conjunction with Wider Opportunities for Women, the Self-Sufficiency Standard measures how much income is needed for a family in a given area of the city or state, to adequately meet their basic needs- without public benefits.[44] This Standard provides a more reasonable measure of income adequacy for families by taking into account the actual costs of working and raising a family in New York City, including housing, transportation, child care and health care. The Self-Sufficiency Standard provides a clear perspective on the harsh reality that families are facing when leaving welfare for low wage employment.(See Appendix B)

As the Self-Sufficiency Standard illustrates, when creating a support network, there are two major issues to consider. *1) Families must be aware of the services and benefits they are eligible for. 2) Families must be able to access these services as efficiently as possible.* It is the responsibility of city and state agencies to make sure that families are aware of these services and benefits. The accessibility of these supports is equally important. When possible, city and state agencies should consider alternative application processes including phone in applications and internet applications. The difficult application process for benefits significantly effects how many families actually receive these benefits. As the City and State begin to create a needed support network for the growing number of working poor, how families will access these services is equally important as what services are made available to these families.

44 Women's Center for Education and Career Advancement. *The Self-Sufficiency Standard for the City of New York*. September 2000.

Recommending Changes in Federal Welfare Law to Improve Outcomes for Poor Children and Families

October 2002 will mark five years since the enactment of the federal PRWORA and the establishment of the TANF Block Grant. The reauthorization of the TANF Block Grant does not require Congress to make changes to the federal PRWORA and it is possible that changes may not be considered. As we approach TANF reauthorization however, advocates from around the State and across the country maintain that welfare reform is not a success and have encouraged a discussion of proposed changes to the federal PRWORA that coincide with the reauthorization of the TANF Block Grant.

Set forth below are a number of recommendations to be considered in the coming year as the reauthorization of the TANF Block Grant is being debated.

RECOMMENDATIONS:

- **Congress and the President should maintain the current TANF Block Grant allocation to the states, at level funding and indexed for inflation.**

  It is critical the TANF funding remain level so that the City and the State have the ability to maintain their commitment to low income families both on and off assistance. As New York City struggles to come to terms with a weakening economy and the challenge of rebuilding lower Manhattan as a result of the World Trade Center disaster of September 11, 2001, there is a strong possibility that the City will experience a significant increase in caseloads. Families that have left welfare for low wage work join the growing number of poor families that continue to struggle to maintain employment and financial independence. The flexibility of the TANF Block Grant affords states the opportunity to tailor a necessary support network around poor families under 200% of poverty and to assist them in maintaining financial independence and stability.

- **Congress and the President should maintain Maintenance of Effort (MOE) requirements so states continue their commitment to provide support for needy children and families.**

  In order to ensure that states maintain their commitment to needy families, we strongly recommend that Congress continue to require states to meet a Maintenance Of Effort (MOE) requirement. In New York State, MOE spending includes the State Safety Net Program and funding for services and benefits for immigrants that do not qualify for federal assistance. In addition, MOE funding can be used for medical services, education and training opportunities, and to support programs in line with TANF goals.

- **Congress and the President should maintain transfer authority to the Social Services Block Grant and the Child Care and Development Fund.**

  In 1996, Congress funded the Social Services Block Grant (SSBG) at $2.38 billion until 2002. In addition, states were allowed to transfer up to 10% of their TANF Block Grant to SSBG. The SSBG funds numerous programs for domestic violence, meals on wheels programs, child welfare services, services for disabled children and adults, child care, long-term care, and a number of other services for families under 200% of the FPL.[45] In 1997, SSBG funding was decreased to $1.7 billion and state's transfer authority was decreased to 4.25%, only to be restored by Congress to 10% until 2002 and 4.25% thereafter. New York along with 32 other states have traditionally transferred more than 4.25% of TANF funds to the SSBG which generally makes up for the decreased federal funding of the SSBG since 1997. We strongly recommend that transfer authority remain at 10% beyond 2002. Services that are provided by this funding stream provide additional valuable resources to low income families and families transitioning from welfare to work and financial independence.

  In addition, we recommend that the state's ability to transfer up to 30% of TANF funds to the Child Care and Development Fund (CCDF) be maintained. In the past three years, New York State has been able to dramatically increase the number of child care slots available entirely with federal funds. For many families, lack of child care is the sole reason for not being able to find or maintain employment. By allowing states to transfer up to 30% of TANF funds for these purposes, New York State can continue its commitment to providing affordable child care to low income families on and off public assistance. It is also important to note that TANF funds transferred to the CCDF are not limited to TANF regulation guidelines and can be used for child care quality initiatives as well.

45 American Public Human Services Association (APHSA). *Crossroads: New Directions in Social Policy*. 2001.

- **Congress and the President should include the reduction of child and family poverty, emphasis on work retention and advancement and economic well-being for children and families in the stated TANF goals. Congress should provide bonuses to states for achieving these goals.**

  TANF goals should include the reduction in child poverty as an indicator of success. We also recommend that goals pertaining to job advancement and retention, and the economic well-being of children and families be included in federal regulations for TANF in addition to the four goals that have already been established. High performance bonuses should be included in TANF regulations to award states for addressing these new goals.

- **Congress and the President should broaden the definition of Non-Assistance to include services that will help encourage and maintain family stability and employment.**

  Rent assistance and child care should be considered "non-assistance" when funded with TANF resources so that time limits are not triggered when funds are utilized in this way. In New York City in particular, the cost of housing has directly influenced the increase demand for shelter. A significant number of families in homeless shelters are working but continue to struggle to maintain housing. In 1999, 27% of New York City families paying more than 50% of their gross income on rent.[46] In addition, child care directly funded through the TANF Block Grant should be considered "non-assistance" so that states have the flexibility to meet the overwhelming demand of child care without triggering time limits for these families. Child care supported in this way is a critical component of maintaining and encourages stable employment.

- **Congress and the President should expand the 20% hardship exemption to include families that are working but still receiving assistance.**

  Federal PRWORA allows states up to 20% hardship exemption from the federal time limit for families on assistance. New York State statute has transcribed this hardship exemption to include families that have domestic violence issues and families that can verify physical or mental impairment. We recommend that the allowable exemption be expanded to include families that are working and still receiving assistance. In 2000, 18.5% of families on public assistance were working for low wages that still qualified them to receive partial assistance payments. This is an increase of 11 % from 1996.[47] Although New York State has established a Safety Net Assistance Program for families that reach the federal time limit, this program will be a non-cash voucher system when fully implemented and will severely limit the flexibility of direct cash assistance to families.

- **Congress and the President should amend the federal PRWORA to allow participation in education and training programs to satisfy work requirements.**

  The federal PRWORA clearly limits the state's ability to provide education and training opportunities with complex standards. For example, single parents with children under the age of 6 can only participate in a select number of activities that are considered "engaged in work" and therefore count towards the state's work participation rates. In addition, the federal PRWORA only allows up to 30% of the recipients engaged in education and training to be counted towards the State's work participation rate. In order to encourage education and training, reauthorization should allow all education and training programs to be "countable" activities for work participation rates. In addition, participation in these programs should not be limited to activities related to current employment. This will encourage states to be more flexible in providing these options to public assistance recipients.

- **Congress and the President should amend federal PRWORA to cover legal immigrants.**

  The original changes in federal welfare law restricted a number of social services programs that legal immigrants were eligible for including, TANF, food stamps, Supplemental Security Insurance and Medicaid. Although many restrictions were repealed and benefits restored after some time, legal immigrant adults remain ineligible for public assistance and legal immigrant families entering the country after the enactment

46 Coalition for the Homeless. *Housing a Growing City: New York's Bust in Boom Times*, 2000.

47 Citizens' Committee for Children of New York, Inc. *Keeping Track of New York City's Children*, 2000.

48 Zimmerman, Wendy & Tumlin Karen C. *Patchwork Policies: State Assistance for Immigrants under Welfare Reform*; The Urban Institute. May 1999.

of the federal PRWORA remain ineligible for services for five years. Three-quarters of immigrant children are American citizens and therefore qualify for public assistance even when their immigrant parents do not.[48] As a result, a significant number of the child-only cases in New York City are children of immigrant parents.

- **Congress and the President should consider flexibility and easing eligibility requirements during the reauthorization of the federal Food Stamp Program.**

  The changes in TANF are not in line with the federal Food Stamp program making its administration more difficult for states and in turn, more difficult for families seeking assistance. In New York City, a significant number of families eligible for food stamps have not been receiving them. Easing the application process for food stamps would help families access this program more easily and ease administrative burdens to the states. In addition, this program should be expanded to families making the transition off welfare for up to a year, in sync with transitional Medicaid and child care.

- **Congress and the President should support federal legislation that would allow states to pass through 100% of the child support payment to custodial parents on public assistance.**

  Child support collection would no longer be viewed primarily as a way for states to recoup funds spent on public assistance but rather a way to provide income support to families in need. Federal legislation that would allow states to pass through 100% of a child support payment directly to the custodial parent on public assistance will increase the direct financial responsibility non-custodial parents have for their children.

Recommending Changes to State and City Welfare Policy

State compliance with changes in federal welfare law and resulting changes in New York State and New York City policy have set the stage to develop a platform of substantive improvements to be implemented during the next five years of welfare reform. TANF regulations have devolved considerable flexibility to the states. In New York State, this flexibility has been passed down to the counties. As a result, New York City has been able to develop its own comprehensive welfare program, implementing stringent work requirements, limiting education and training opportunities and implementing numerous anti-fraud techniques and diversion tactics often times above and beyond that which is required by federal law.

As we begin to debate proposed changes to federal PRWORA, New York City will experience a complete change in administration as a result of newly implemented term limits for all elected officials. In 2001, the City will have a new Mayor, Comptroller, Public Advocate, four new Borough Presidents and 38 out of 51 new City Council Members. Changes in City policy and practice will emerge as new agency officials are appointed. The new Mayor, City Council and other elected officials will be responsible for evaluating the results of welfare reform over the last five years and determine what has worked, what has not and what can be improved to help families transition from welfare to work and financial independence. The following are several recommendations to City and State welfare policy that will foster financial stability and help ensure that families are well informed of benefits and services available to them.

Evaluating Welfare Policy Impacts

KEY FINDINGS:

- The State and City welfare evaluation studies that have been released are misleading.

RECOMMENDATION:

- **New York State OTDA and New York City HRA should each commission an Independent Leavers Study to document families leaving welfare.**

Keeping Families Informed

KEY FINDINGS:

- City policies have denied families from applying for public assistance until the second or third visit to a Job Center. Eligible families are not receiving the transitional benefits such as Medicaid, Food Stamps and child care.
- The EVR process has erroneously diverted families from assistance and made it more difficult to re-certify families that need continued assistance.
- Requiring families to re-apply for benefits under the State Safety Net (SNA) program will cause a disruption in benefits and services, delay receipt of grant payments and disrupt child care arrangements.

RECOMMENDATIONS:

- **HRA should notify families of the SNA Program in conjunction with notification of time limited cash assistance so that families are aware and prepared to take the necessary next steps to either re-apply for benefits under the SNA Program or explore other available supports.**
- **The Eligibility Verification Review (EVR) process should be eased so that families are not erroneously removed from the welfare rolls when still in need of assistance.**
- **HRA should increase caseworker training and emphasize public outreach to families so that they are aware of all benefits that they are entitled to, have easy access to information regarding eligibility, and understand how to enroll in benefit programs.**

Assisting Families to Obtain and Maintain Employment

KEY FINDINGS:

- New York State and New York City do currently have the ability to provide more access to education under federal regulations but have chosen not to.
- MOE funds used to support postsecondary education do not count towards a recipient's time limits.
- High school graduates, on average, earn 28% more than those without high school diplomas. People who have completed some college, on average, earn 15% more than those with a high school diploma. College graduates, on average, earn 44% more than those who have only earned high school diplomas.

RECOMMENDATIONS:

- **HRA policy should allow for greater access to education and training options.**
- **New York State and New York City should use both TANF and MOE funds to support secondary education as allowed under current federal regulations.**

KEY FINDINGS:

- Families that hit the five year time limit have a host of barriers to employment including substance abuse problems, domestic violence issues, mental and physical disabilities and low basic skills.
- A significant number of families leave welfare for low paying jobs and unstable work with no healthcare or other benefits.

RECOMMENDATIONS:

- **HRA and OTDA should provide enhanced services and develop programs to help hard to serve families transition from welfare to work.**
- **HRA and the Mayor should implement the Transitional Jobs Program that would provide 7,500 subsidized wage paying jobs for public assistance recipients.** Recipients would earn $7.50 an hour for up to 12 months in the public or private sector, receiving a paycheck instead of a welfare check. In addition, recipients would we receive a minimum of eight hours of education and training and would be eligible to receive the Earned Income Tax Credit.
- **New York State should pass legislation that would create the Empire State Jobs Program that would create 8,000 transitional jobs.** This program would give real job experience to public assistance recipients that have not been able to find permanent unsubsidized work and would make them eligible to receive the Earned Income Tax Credit (EITC).
- **New York State should expedite the establishment of a Transitional Opportunities Program (TOP) office in all five boroughs.** The opening of New York City's first TOP office is currently underway in the Bronx and will provide intensive case management to families making the transition from welfare to work and for families under 200% of poverty. Caseworkers will make sure clients are aware of transitional and other benefits including tax credits, child support, child care, food stamps and Medicaid. Caseworkers will also provide services that will help families maintain employment including budget counseling, parenting skills, housing, and substance abuse counseling.[49] TOP has been implemented successfully in 18 districts across the State. New York City should work to implement TOP in all boroughs across the City.

49 Office of Temporary and Disability Assistance. New York State TANF Service Plans, 2000.

The next phase of welfare reform will provide New York State and New York City the opportunity to create new programs and enhance existing ones to help families find and keep stable employment and move towards financial independence. Although many families will consistently need and receive available government supports such as food stamps, health insurance and/or child care, these individual supports cost far less than the welfare grant and assist families to remain in the work force. Reauthorization provides the opportunity for federal, state and local policy to be re-evaluated to identify the emerging needs of low income families.

ENCOURAGING WORK

Tax Credits

KEY FINDINGS:

- Tax credits have proven to be an effective tool to promote equity, encourage work and reduce tax liability for working poor families.
- The EITC has been the single most successful anti-poverty program available to poor working families providing tax relief to approximately 600,000 families in New York City.

RECOMMENDATIONS:

- **New York State should authorize New York City to create a local Earned Income Tax Credit (EITC) equal to 5% of the Federal tax credit targeted to low and moderate income families.** A local EITC would benefit approximately 600,000 households with up to $190 in credit depending on family size and income.
- **New York State should authorize New York City to create a local Child and Dependent Care Credit (CDCC) equal to 40% of the State tax credit.** This tax credit would benefit approximately 160,000 families with the average credit of $77 for a family with 2 children.
- **New York State should implement a Child Tax Credit modeled after the State CDCC and the State EITC refundable tax credit, worth a percentage of the federal Child Tax Credit depending on income.** This credit would benefit approximately 1.6 million families would be eligible to receive it.

Wages and Work Benefits

KEY FINDINGS:

- The Economic Policy Institute found that 35% of the benefits for an increase in the minimum wage went to working families in the bottom fifth of the income distribution, almost three times the percent that went to the top fifth.
- Families who earn $5.15 an hour receive an annual salary of $10,712, $3,918 less than $14,630, the Federal Poverty Level for a family of three. Low wages force families to make choices such as skipping meals, using substandard child care or having the electricity and/or heat turned off.
- New York State's Unemployment Insurance program helps thousands of families each year stay out of poverty by providing temporary income while searching for employment.
- Low wage workers are often disqualified from receiving benefit seven when working clase to full-time hours in stable work. The Fiscal Policy Institute estimates that in 1997 only 33.9% of those that were unemployed in New York State actually received Unemployment Insurance benefits.
- 78% of employees eligible to take Family Medical Leave do not take it citing, among other things, their inability to afford unpaid leave.[50] An employee is only eligible for FML if he/she has worked for the same employer for a total on 12 months or 1,250 hours.

RECOMMENDATIONS:

- **The Governor and the Legislature should raise the State minimum wage from $5.15 an hour and $6.75 an hour, indexed for inflation thereafter.**
- **New York City and New York State should implement a "Living Wage" of $10.00 an hour with benefits and $11.50 an hour without benefits for all businesses that contract with city or state government.**
- **The Governor and the Legislature should expand the Family Leave program by:**

50 New York State Coalition for Paid Family Leave. 2000.

— **Expanding this program to include paid leave;**
— **Requiring private sector businesses with less than 50 employees to provide family leave;**
— **Decreasing the length of time individuals are required to work, in order to be eligible for family leave.**

- **The Governor and the Legislature should amend existing law to require UI benefit eligibility to be based on the number of hours worked rather than the amount of money earned.** This would address the needs of families that have made the transition from welfare to work into the low wage job market but are particularly vulnerable to becoming unemployed again because of changing policies and an uncertain economic forecast.

PROMOTING FAMILY STABILITY

Housing

KEY FINDINGS:

- Rent subsidies are an affordable alternative to homeless shelters at a maximum cost of $4,800 a year as compared to family shelter costs of $36,000 a year. Care for children placed in foster care because of the lack of adequate housing, costs between $6,200 to $60,000 a year.[51]
- Families who cannot demonstrate a special need, such as homelessness, domestic violence or involvement with the foster care system, do not qualify for assistance under the guidelines of any housing subsidy program operating in New York City.
- Approximately 1,040,450[52] New York City families were eligible for federal Section 8 rent subsidies, yet only 168,505 families actually received one in 2000.[53]

RECOMMENDATIONS:

- **The Governor and the Legislature should expand the State's Foster Care Rent Subsidy.** Families at risk of losing their children to the foster care system and families who are to be reunited with the children can access the state foster care rent subsidy up to $300 a month, up to $10,800 in assistance. **This program should be expanded by:**
— **Increasing the $10,800 cap on rent assistance to better reflect the financial needs of families accessing this subsidy.**
— **Increasing the $300 subsidy amount to better reflect the high cost of housing in New York City.**
— **Allowing for agency discretion to extend rent assistance beyond the three year limit.**
- **New York City Department of Homeless Services should expand the City's Family Rental Assistance Program (FRAP) that provides rent subsidies of up to $400 per month for a period of two years and case management services to eligible homeless families who are working or work ready by:**
— **Expanding eligibility for the FRAP program to those families at risk of losing housing.**
— **Allowing families to extend FRAP subsidies beyond the two year limit based on need.**

Child Care

KEY FINDINGS:

- Thousands of parents cannot find licensed care for their children, and turn to an unregulated, unreliable and unsafe "system" of informal care.
- 463,500 children aged 0-13 are eligible for subsidized child care in New York City. The City can only provide 20% of these children with child care subsidies.[54]
- Sixteen states including California, Connecticut, Texas and North Carolina recognize the burden high child care costs place on working families and provide subsidies to families with higher incomes.
- The child care market rate as currently constructed depresses staff salaries and creates high turnover.

RECOMMENDATIONS:

- **The Governor and the Legislature should raise income eligibility for child care subsidies from 200% to 275%.** The cost of child care is a significant burden for many low- and moderate-income working families who fail to meet the current eligibility criteria.

51 Citizens' Committee for Children of New York, Inc. *Government Rent Subsidy Programs for Families in New York City*, February 2001.
52 1996 NYC Housing and Vacancy Survey, Department of City Planning P. 117, 1996.
53 Citizens' Committee for Children of New York, Inc. *Government Rent Subsidy Programs for Families in New York City* February 2001.
54 Child Care, Inc. *A Child Care Primer* 1998, New York.

- **The New York State Office of Children and Family Services (OCFS) should provide enhanced child care subsidies to providers that provide child care during non-traditional hours.**

- **The Governor and the Legislature and the Mayor and the City Council should expand child care facilities development.** The creation of new facilities is essential to keep up with the increasing demand for subsidies, and to ensure an adequate supply of center-based child care that will enable parents to place their child in the setting of their choice.

- **The New York State Office of Children and Family Services (OCFS) should revise the child care market rate survey to better reflect the actual cost of child care.** The formula used to calculate the reimbursement rates do not enable child care providers to recruit and retain quality staff, an incredible challenge faced by many providers.

- **The Governor and the Legislature should maximize the 30% transfer of federal TANF funds to the State Child Care Block Grant (CCBG) every fiscal year.**

Child Support

KEY FINDINGS:

- Irrespect of the amount of Child Support collected, only $50 is passed through to the custodial parent.

- In 1998, for every dollar invested in administering the child support program, four dollars were generated in collections.[55]

- Statistics have also shown that when payments are passed through directly to the child, non- custodial parents are more motivated to pay child support.

- Increased child support enforcement can only be helpful to families if the non-custodial parent is working and can financially support their child.

RECOMMENDATIONS:

- **The Governor and the Legislature should support State legislation that would increase the child support pass through to public assistance recipients from $50 to $100.** This will provide a stronger incentive for mothers to cooperate with child support enforcement.

- **New York State and New York City should support Fatherhood initiatives that would encourage non-custodial parents to become financially responsible for their children.** Fatherhood initiatives that provide job training and workforce recruitment, retention and advancement will assist non-custodial parents find and maintain stable employment.

Financial Asset Building

KEY FINDINGS:

- There a few programs available which assist low income working families to build financial assets.

- Although financial asset building programs are commonly available such as Individual Retirement Accounts (IRA), deferred compensation plans, home ownership tax deductions, and educational savings accounts, few low income working families have the ability or knowledge to access these programs.

RECOMMENDATIONS:

- **New York City and New York State should each create an Individual Development Account (IDA) program to assist low income working families gain financial security.** IDAs are savings accounts for families on public assistance that do not effect the family's public assistance direct cash payment. IDA funds can be used to buy a home, start a business, pay for post-secondary education or job training. IDA programs match 1:1 individual savings with public and/or private sources.

- **New York City and New York State should provide a baby bond to every child.** Modeled after a proposal by Britain's Prime Minister Tony Blair, "baby bonds" worth $450 to $750 should be given to every child with additional deposits of $75 to $150 on the child's 5th 11th and 16th birthdays. Each bond would mature on the child's 18th birthday worth approximately $7,500 that can be used towards post-secondary education, business start-up or home ownership.

55 American Public Human Services Association (APHSA). *Crossroads: New Directions in Social Policy*. 2001.

Conclusion

The reauthorization of the TANF Block Grant in 2002 provides an opportunity for New York State and New York City to re-evaluate programs that serve low income families and identify policy and practice improvements that will help families transition from welfare to work and financial independence. The evolution of welfare reform has essentially highlighted the presence of two distinct populations. Those families that remain on assistance whose behavioral health problems or functional limitations pose severe barriers to work and financial independence involving substance abuse, domestic violence and little education, and those families that struggle to maintain financial stability but only earn wages just above the federal poverty level.

The recommendations proposed in this report take into consideration the need for changes in State and City welfare policy that currently force families into low wage, low skill work with little chance of advancement and limited access to behavioral health and education programs as well as the need for new approaches to supplement the income of families that struggle to maintain family and financial stability while earning minimum wages.

New York State and New York City should take advantage of the debate surrounding the reauthorization of the TANF Block Grant and proposed changes to the federal welfare law in the coming year and prepare a comprehensive agenda that will ensure that child and family well-being is the top priority during the debate. The City and the State should take this opportunity to weigh in on changes to the federal PRWORA that will help the state and the city tailor welfare programs to help families transition from welfare to living wage work. Reauthorization also provides an opportunity to debate a host of issues that effect low income families and children and bring to the forefront the present scope of services available to working poor families and the need to expand the scope to include, among other things, the expansion of tax credits, unemployment insurance and paid family leave.

The implementation of recommendations and policy changes included in this report reflect the first steps needed to ensure that families in New York City and New York State have the skills and opportunities they need to transition from welfare to living-wage work without compromising the well-being of their children in the process. Although the state and city can and should make numerous changes to welfare policy under current federal welfare law immediately, changes in the federal PRWORA that can be accomplished during the reauthorization process will undoubtly help states provide the best possible network of support to families in need.

Task Force to Support Low Income Families

QUESTIONNAIRE (45 minutes- 1 hour)

I. First Five Years of Welfare Reform

Final regulations for spending under TANF require that TANF funding be used to provide services to meet the following goals:

- To provide assistance to needy families;
- To end dependence of needy parents by promoting job preparation, work and marriage;
- To prevent and reduce out of wedlock pregnancies; and
- To encourage the formation and maintenance of two parent families.

1. How has New York State used TANF funds and MOE funds to meet these goals?

2. Identify successful strategies employed by New York City to move families from welfare to work and maintain self-sufficiency? Have there been different strategies employed by other cities or states that could work in New York City?

3. Identify successful strategies employed by New York State to move families from welfare to work and maintain self-sufficiency? Have there been different strategies employed by other cities or states that could work in New York State?

II. Accessibility and Barrier issues

4. Are there barriers to moving families from welfare to work and to maintaining self-sufficiency in New York City? In New York State? What are the barriers?

5. Are there obstacles that impede a family's ability to apply for or receive transitional benefits once a family has left welfare for work?

A. Supporting Poor Children and Families

6. How can the City address the needs of families who have moved off of welfare but have not succeeded in finding work and/or becoming self-sufficient?

7. Are there obstacles that impede a family's ability to apply for or receive Public Assistance? What are they?

8. Are there obstacles that impede a family's ability to apply for or receive Medicaid, and/or Food Stamps? What are they?

9. What benefits, vouchers, subsidies and/or services are necessary to help families achieve and sustain self-sufficiency?

10. What benefits, vouchers, subsidies, and/or services are available to families in New York City and New York State?

11. What has New York City and/or New York State done to ensure that families have knowledge and access to benefits, vouchers, subsidies and/or services?

III. New York's Safety Net

12. Identify the families that will hit the five-year time limit for welfare. What needs do these families have that are preventing them from moving from welfare to work? What could the City and/or the State do to address these needs and move this population into the workforce?

13. How will New York State's Safety Net Program assist families transitioning from welfare to work? Explain.

IV. Reauthorization

14. Five years after its enactment, should the PRA be amended? If so, what key legislative changes should be considered? (i.e. time limits, sanctions, work requirements, caseload exemptions, immigrant provisions, education and training)

15. In your opinion, as we debate reauthorization of TANF funding and the PRA, should we be considering other changes in federal, state and local programs and/or policy? (i.e. tax credits, unemployment insurance, paid family leave, rent subsidies, and wage supplements)

16. In the event of a recession, in your opinion, will welfare reform efforts in New York City be affected? How?

Self-Sufficiency Standard

The *Self-Sufficiency Standard* was developed by Dr. Diana Pearce of University of Washington in conjunction with Wider Opportunities for Women, a 36 year old national women's employment organization with the goal of working to achieve economic independence and opportunity for women and girls. Developed in 13 other states and cities across the country, the *Self-Sufficiency Standard* attempts to measure how much income is needed in a given area in order for families to meet their basic needs without government benefits. The *Self-Sufficiency Standard* differs from the Federal Poverty Level in that it takes into account family size including the age of the child or children in the family, and includes varied costs of support and services in different communities within a particular city and/or state.

The *Self-Sufficiency Standard* provides perspective to the difficulties families face with leaving welfare for low wage work. The Standard using realistic costs of services in the community including housing costs, which vary significantly from community to community and child care, which differs with the age of the child.

The Standard is first calculated assuming no benefits except the Earned Income Tax Credit and the Child Care Tax Credit and the Child Tax Credit. To illustrate how government benefits would lower the amount of income a family would have to earn to be self sufficient, the Standard is re-calculated to demonstrate the benefits of receiving government subsidy for housing, child care, transportation, health care, and food stamps.

The Standard is a vital advocacy tool that can be used to illustrate the actual need for services in a particular community. The Standard can be used as:

1) A guideline to set wages and advocate for an increase in the federal and state minimum wage to better address cost of living;

2) A tool to demonstrate what the optimum benefit to families is for providing a variety of services and support;

3) A benchmark for agency and elected officials when creating and expanding support programs for low income families; and

4) A tool to help families balance their budget and calculate necessary costs.

Self-Sufficiency Standard for New York City

MONTHLY COSTS: 1 Adult W/ 1 Infant and 1 Preschool Child

	Bronx	Brooklyn	L.Manhattan*	U. Manhattan	Queens	Staten Island
Housing	$740	$801	$1,650	$686	$900	$883
Child Care	$1,286	$1,286	$1,286	$1,286	$1,286	$1,286
Food	$383	$383	$383	$383	$383	$383
Transportation	$63	$63	$63	$63	$63	$63
Health Care	$315	$315	$592	$592	$317	$319
Miscellaneous	$279	$285	$397	$301	$295	$293
Tax	$758	$793	$2,013	$885	$851	$842
EITC	$0	$0	$0	$0	$0	$0
Child Care Tax Credit	-$80	-$80	-$80	-$80	-$80	-$80
Child Tax Credit	-$83	-$83	-$83	-$83	-$83	-$83
Yearly Self-Sufficiency Wage	$43,932	$45,156	$48,396	$74,664	$47,184	$46,872
Monthly Self-Sufficency Wage	$3,661	$3,763	$4,033	$6,222	$3,932	$3,906
Hourly Self-Sufficency Wage	$20.80	$21.38	$22.91	$35.35	$22.34	$22.19

*Lower Manhattan is below W.110th St. and below E.96th St.

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Rosemarie Conner
Sandy Deacon
Nancy Locker
Jennifer March
Adina Serota
Nancy F. Solomon
Maria Toro, Staff

CITIZENS' COMMITTEE FOR CHILDREN OF NEW YORK, INC.

105 East 22nd Street, 7th Floor
New York, NY 10010
V: (212) 673-1800 F: (212) 979-5063
E-mail: info@kfny.org
website: www.kfny.org

ABOUT CCC

Citizens' Committee for Children of New York (CCC) is an independent voice for New York City's children. CCC champions children who cannot vote, lobby, or act on their own behalf, especially those who are poor, have special needs or are particularly vulnerable. Our goal is to secure the rights, protections and services children deserve. Many of our activities directly affect the lives of individual children but most of our efforts are spent identifying the causes and effects of disadvantage and poverty, promoting the development of services in the community and working to make public and private institutions more responsive to children. CCC is unique among child advocacy organizations in that citizen members and staff work side-by-side assuming the roles of spokesperson, researcher, coordinator and watchdog for the City's children. Our staff and members include specialists in health, mental health, education, child care, housing, homelessness, income security, child welfare, juvenile justice and child and youth development.

CCC educates New Yorkers about children's issues, publishes reports and papers, collects and disseminates data, provides technical assistance and support to policymakers, service providers, parent and civic groups and monitors the implementation of federal, state and local policies. CCC directs its attention to budgets, legislation, regulations and management of children's programs. CCC provides a community presence by monitoring the availability and quality of services to children and families in New York City neighborhoods. CCC creates and joins coalitions, brokers competing interests and develops action plans to improve conditions for children. CCC helps New Yorkers turn their personal concern for children into action through our Community Leadership Course.

Kids First, New York is a citywide effort to mobilize parents, professionals, policymakers and other citizens to improve conditions for all New York City children. The Kids First, New York campaign adds another dimension to CCC's work to ensure that every child is healthy, housed, educated and safe.

CCC is a non-profit organization supported by individuals, foundations and corporations since 1944.

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Printed Name/Position/Title: Rose Anello Citizenship Assoc. Exec. Dir. & Public Affairs

Organization/Address: CCCNY 105 E 22 St NY NY 10010

Telephone: 212 673 1920

FAX: 212 979 5063

E-Mail Address: RANELLO@KFNY

Date: 7-30-02

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